

FIG. 1  
PRIOR ART

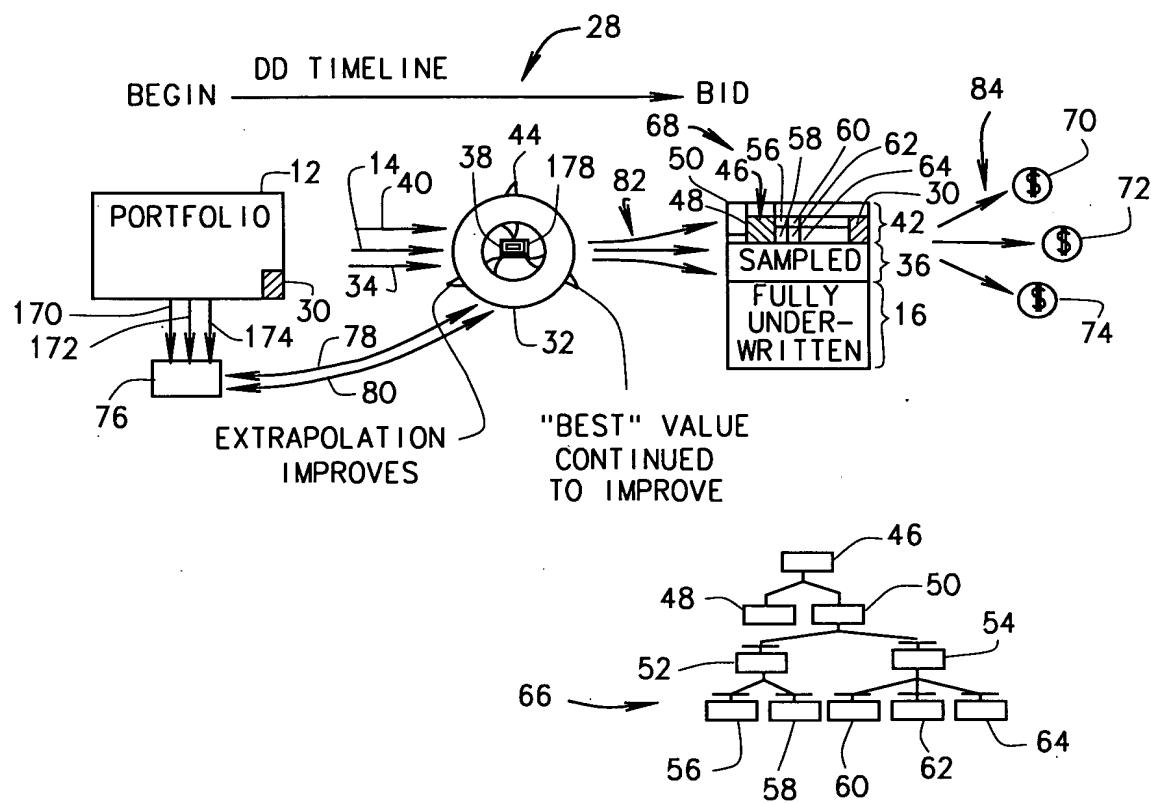
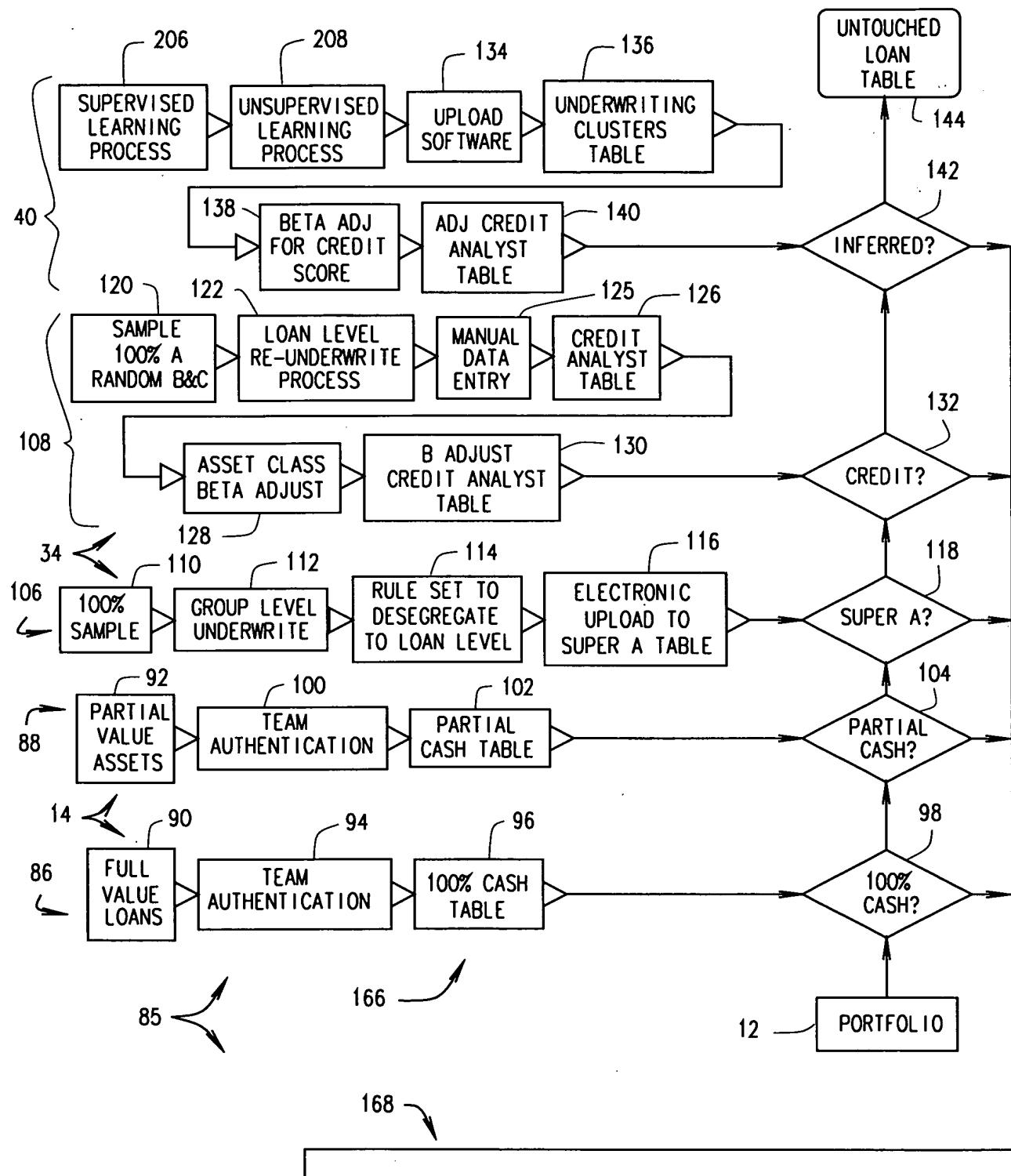


FIG. 2



TO FIG. 4

FIG. 3

FROM FIG. 3

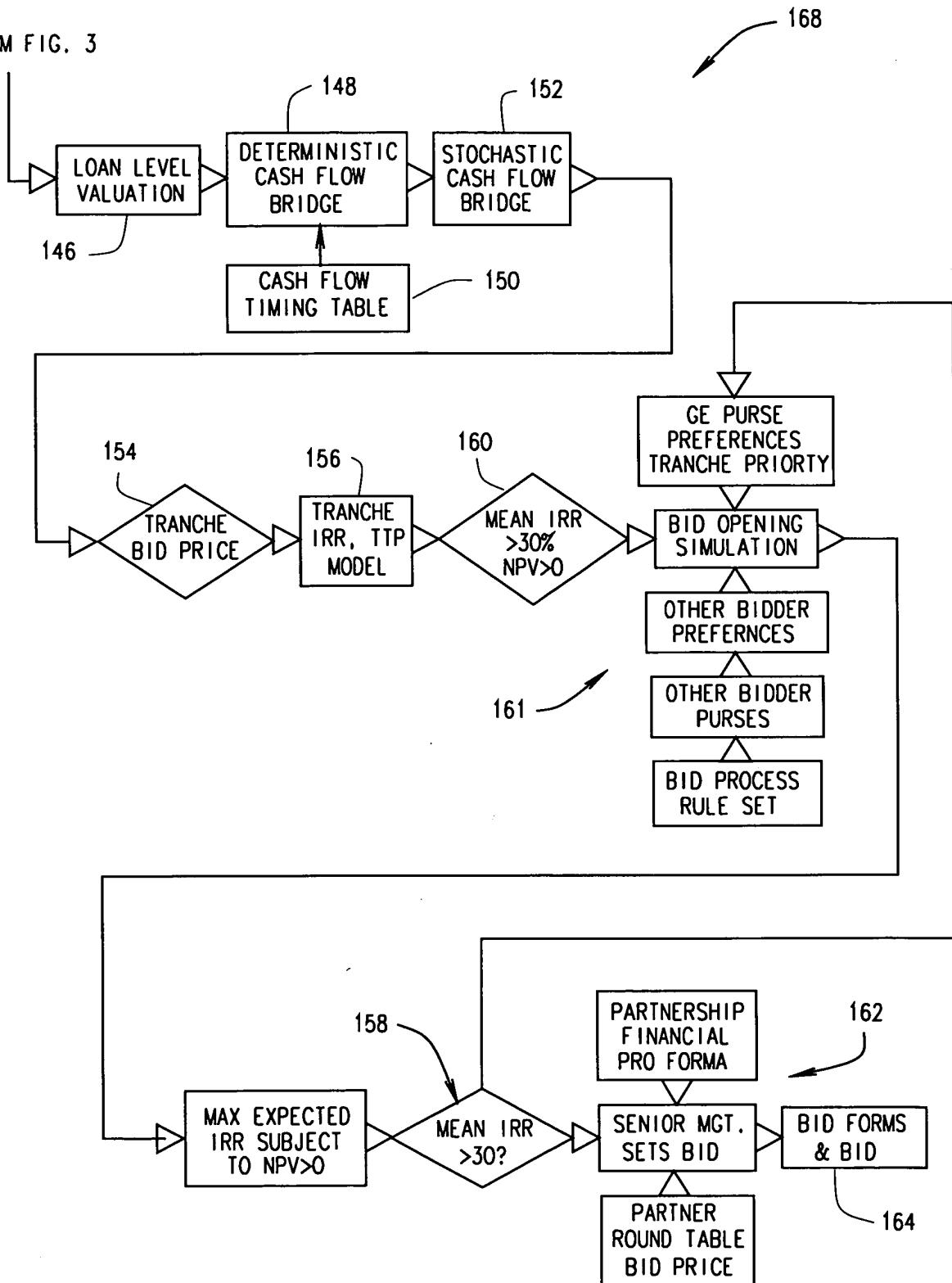


FIG. 4

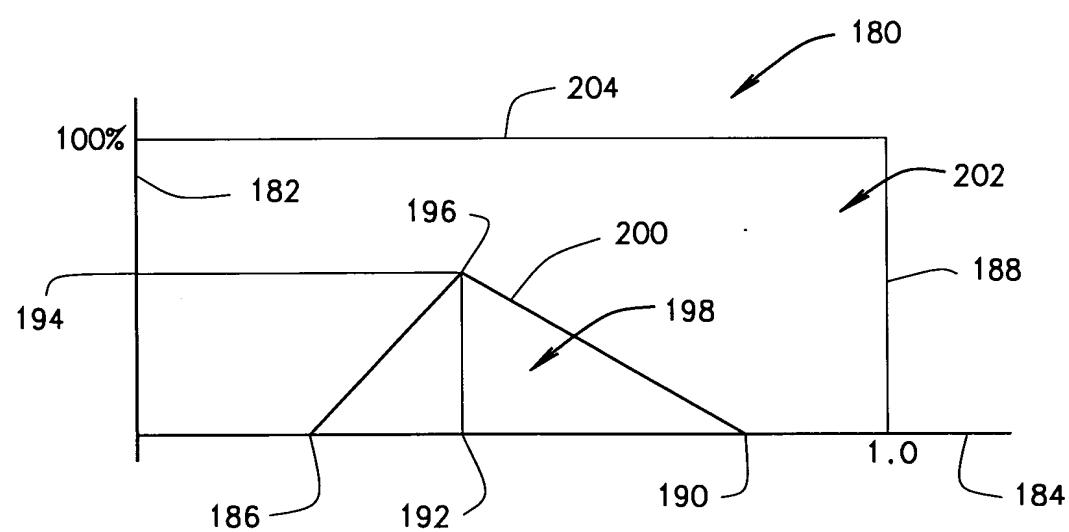


FIG. 5

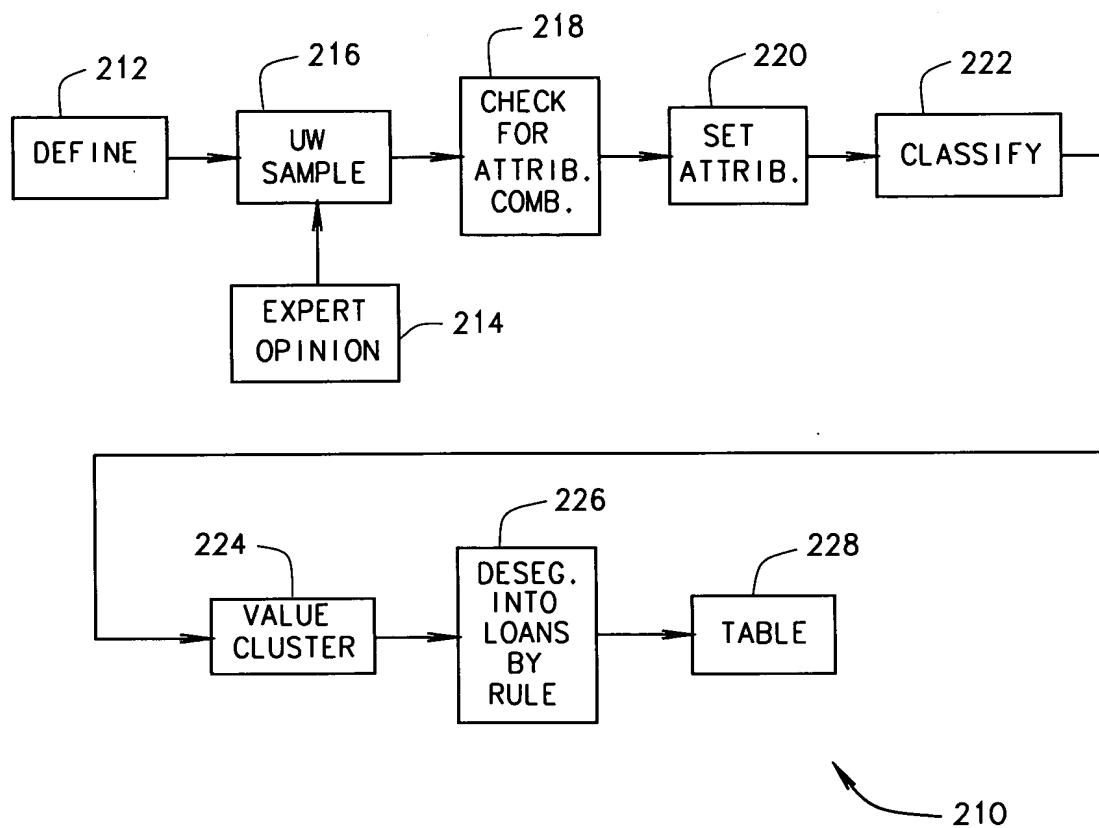


FIG. 6

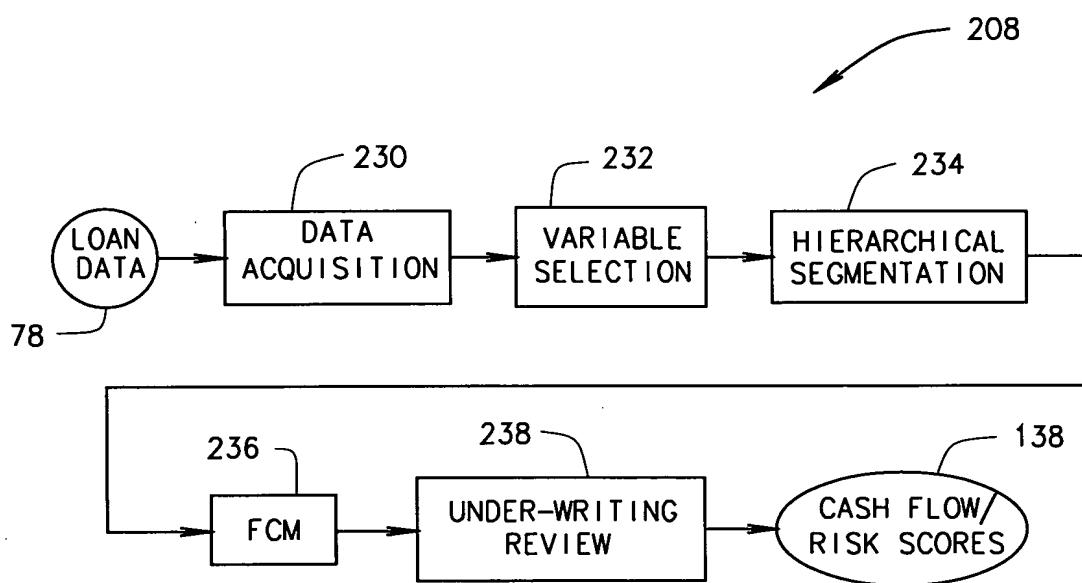


FIG. 7

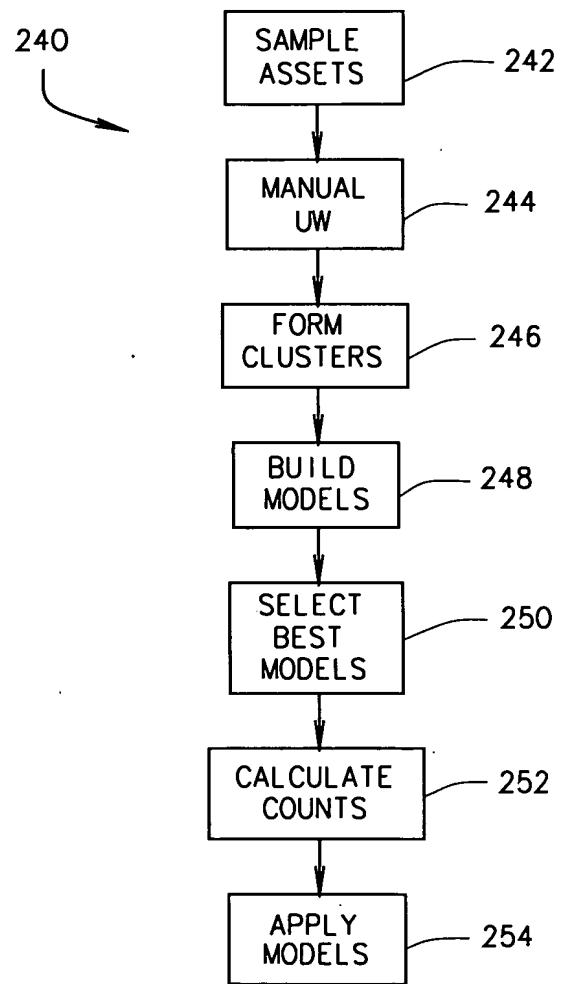


FIG. 8

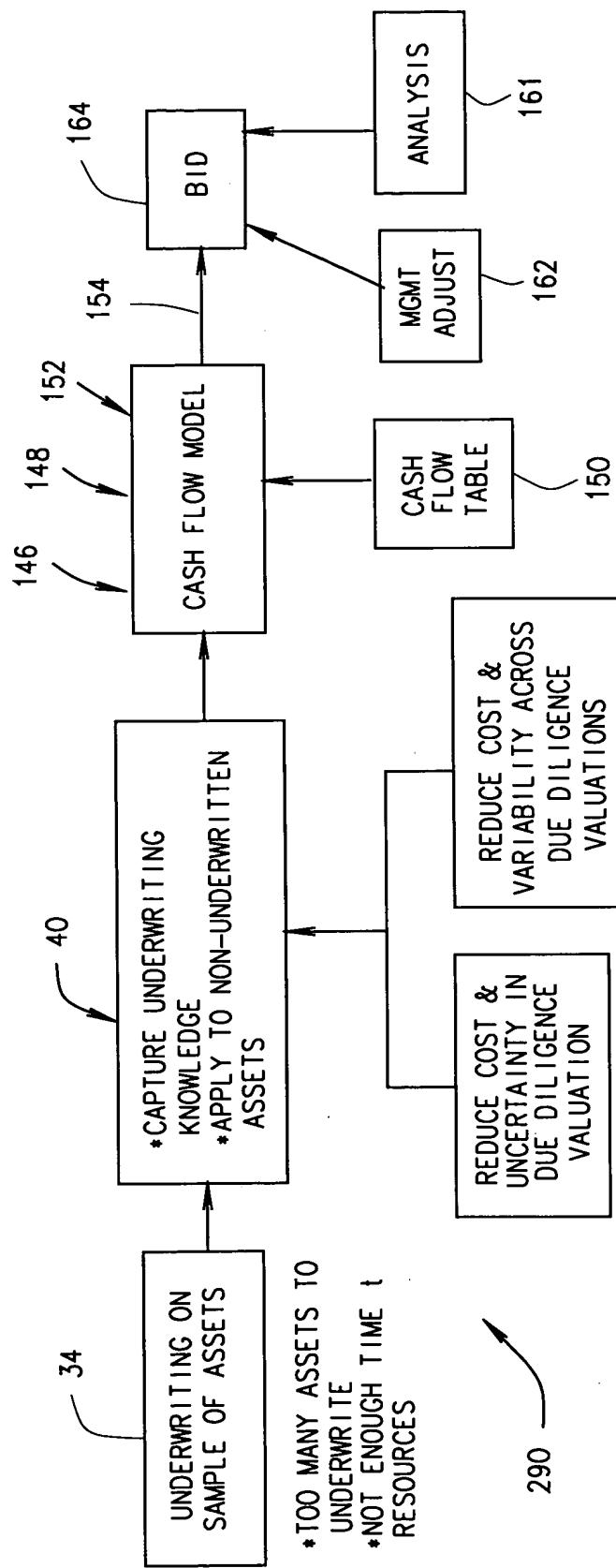


FIG. 9

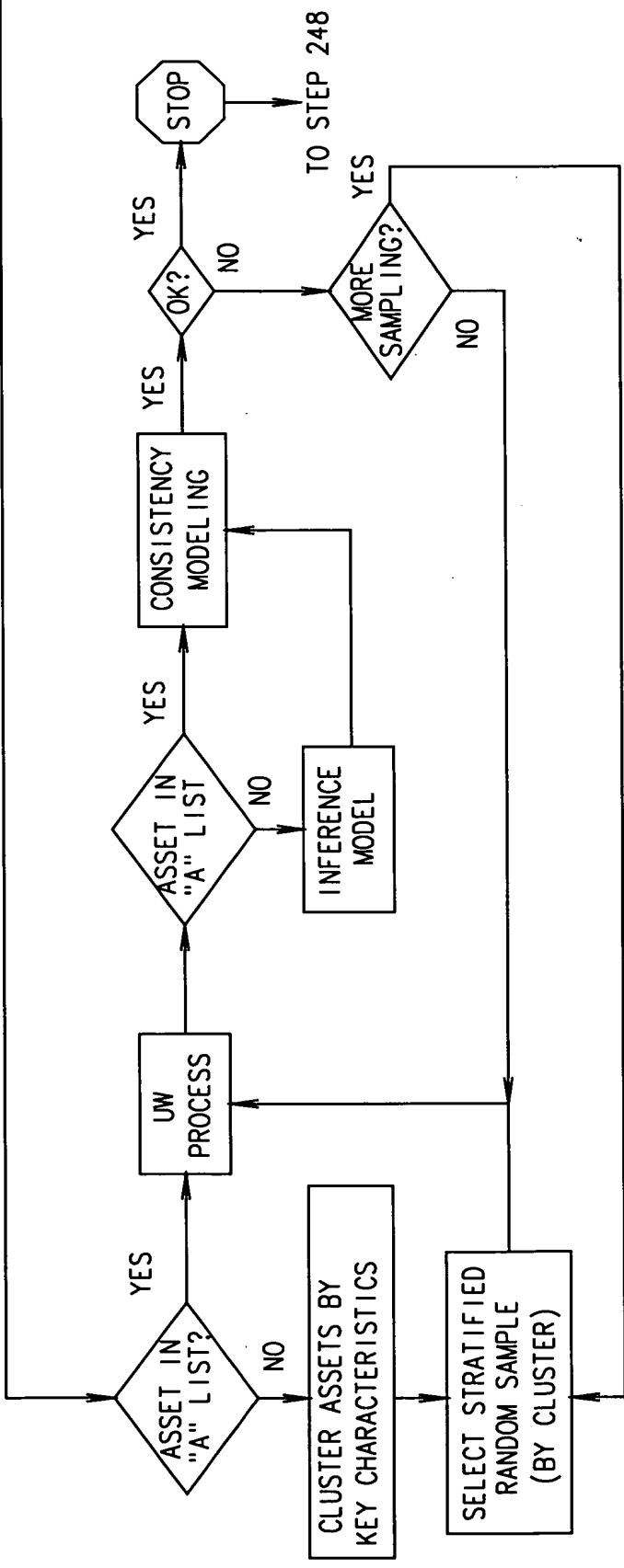
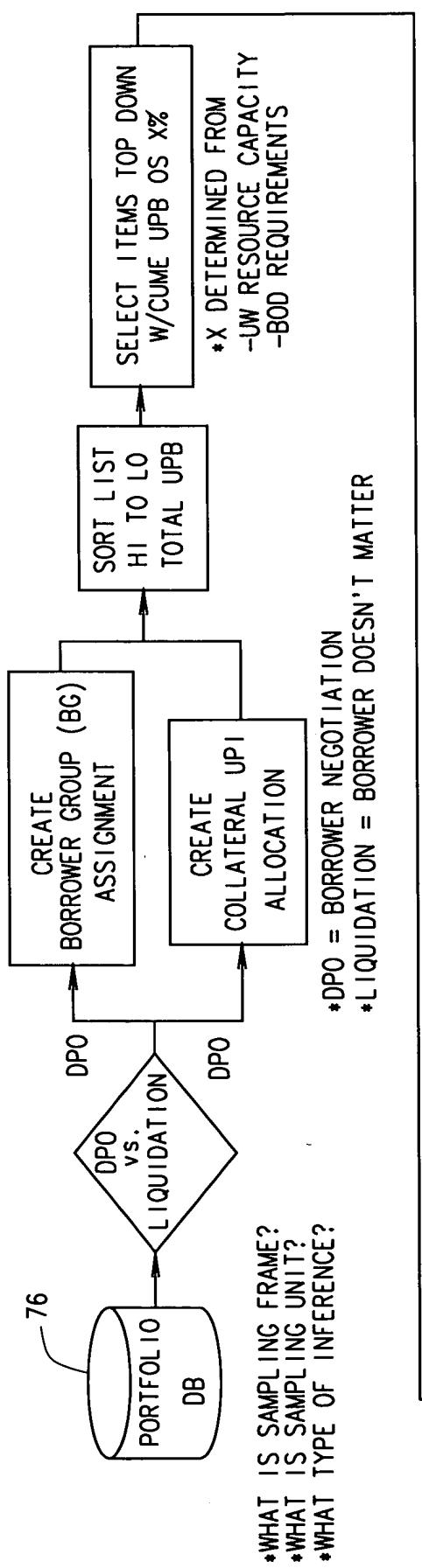


FIG. 10

## 6 MODELS BUILT:

- \* MODELS DIFFER BY WHICH VARIABLES USED
- \* UW ASSETS GET THE MINIMUM ERROR PREDICTION (ACTUAL-PREDICTED)

	VARIABLES USED	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6
LAND AREA	X		X	X	X	X	
BLDG AREA	X		X	X	X	X	X
OLD APPRAISAL							
GEN 1 PREDICTED CURRENT APPRAISAL	X	X	X	X	X	X	
GEN 1 PREDICTED REALIZED PRICE	X	X	X	X	X	X	
PROPERTY TYPE	X	X	X	X	X	X	
LOCATION	X	X	X	X	X	X	
-BY-							
COM/RES GROUP (CLUSTER)	X	X	X	X	X	X	X
	X	X	X	X	X	X	X

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BUILD MODELS

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## MODEL "WEIGHTS":

- \* EACH CELL IS COUNT OF TIMES THE MODEL PRODUCED BEST PREDICTION FOR UW ASSETS
- \* DETERMINES WEIGHTS FOR AVERAGING PREDICTIONS FOR NON-UW ASSETS

MODEL	ASSET CLASS	GROUP	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6	SUM
256	COURT AUCTION COMMERCIAL	1	13	13	13	8	32	32	87
		2	29	25	29	24	19	19	148
	TOTAL								163

250

252

MARKET VALUE	COMMERCIAL	TOTAL	MARKET VALUE	RESIDENTIAL	TOTAL	MARKET VALUE	COMMERCIAL	TOTAL
1	16	13	11	15	21	14	21	86
2	29	22	29	24	19	19	19	150
								236

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TOTAL

MARKET VALUE	RESIDENTIAL	TOTAL
2	8	9
3	6	16

164

VARIABLE	CATEGORY/VALUE RANGE	ENCODING SCHEME
LOAN SECURED	(YES, NO)	YES = 1, ELSE = 0
LOAN TYPE	(REVOLVING, NON-REVOLVING)	REVOLVING = 1 ELSE 0
LAST PAYMENT	(0, 250 MM)	0 IF LAST PAYMENT = 0 ELSE 1
NOTICE OF DEFAULT SENT		PRIOR TO JUN 97 EQUALS 1 ELSE 0
ORIGINAL MATURITY DATE		PRIOR TO JUN 97 EQUALS 1 ELSE 0
SYNDICATED LOAN	(YES, NO)	YES = 1, ELSE = 0
LOAN GUARANTEED	(YES, NO, NAV)	YES = 1, ELSE = 0
COLLECTION SCORE	(0, 1)	
LIEN POSITION	(-1, 0, 1)	1 IF LIEN POSITION = 1 ELSE 0
CURRENT UPAIID BALANCE/ORIGINAL BALANCE	(0, 2.9)	NORMALIZED TO (0, 1)
LAST PAYMENT TO INTEREST/LAST PAYMENT	(0, 1)	

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FIG. 12

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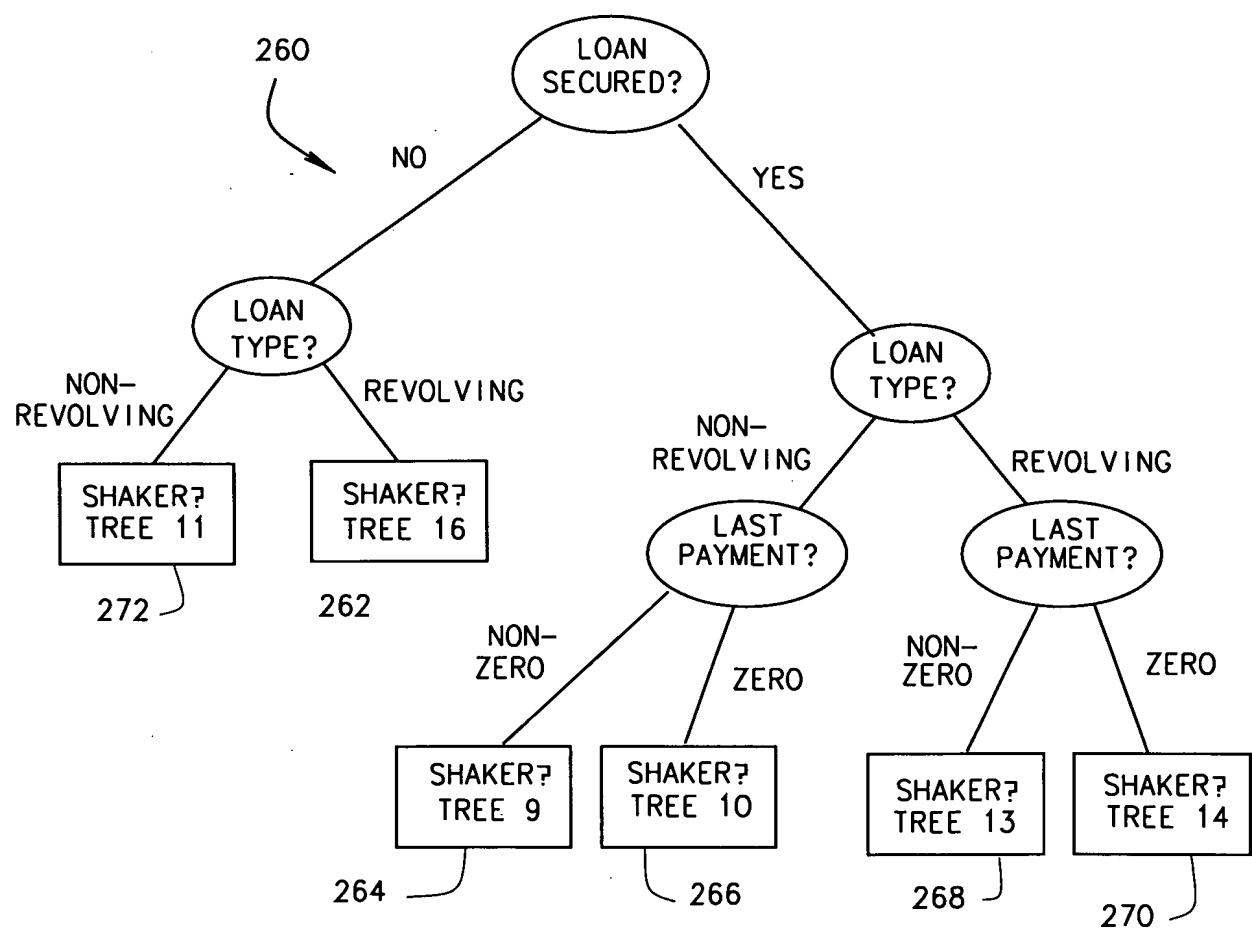


FIG. 13

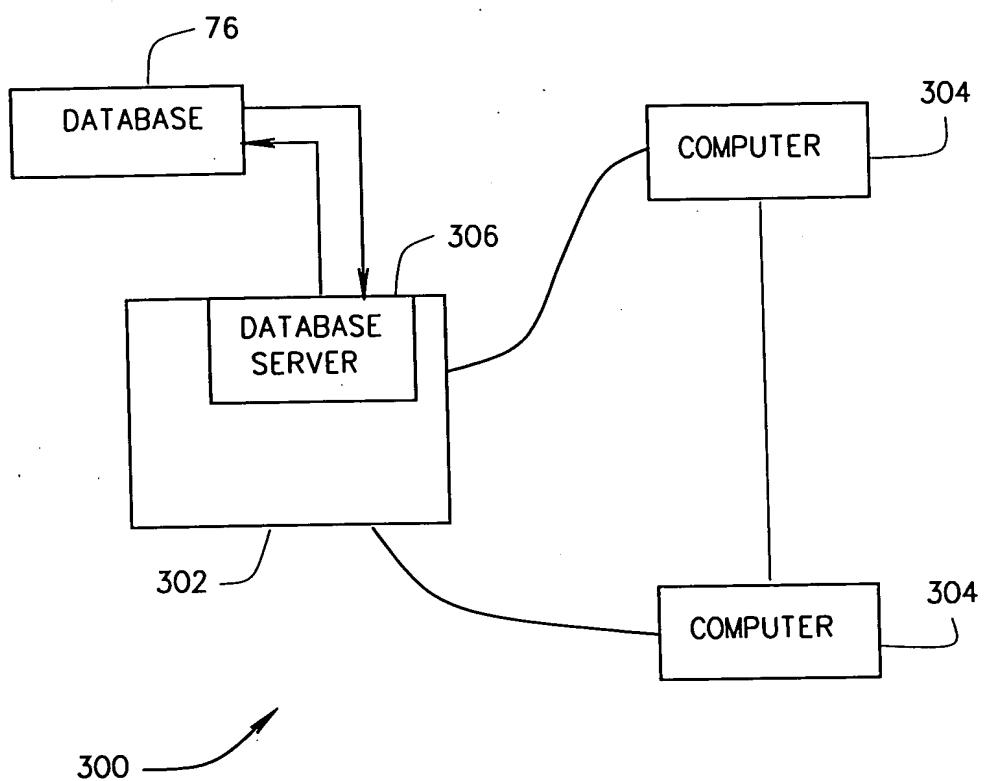


FIG. 14